

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
High-Cost Universal Service Support)	WC Docket No. 05-337
Petition for Waiver of Section 54.312(b)(2))	
and (b)(3) of the Commission's Rules of)	
)	
ACS of Anchorage, Inc.,)	
ACS of the Northland, Inc.,)	
ACS of Fairbanks, Inc., and)	
ACS of Alaska, Inc.)	

COMMENTS OF ALASCONNECT, INC. ON ACS' PETITION FOR WAIVER

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October 11, 2012

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COMMENTS OF ALASCONNECT, INC.

AlasConnect, Inc., hereby submits comments in response to the Petition for Waiver filed by ACS of Anchorage, Inc., ACS of the Northland, Inc., ACS of Fairbanks, Inc., and ACS of Alaska, Inc. (collectively, "ACS") on September 26, 2012 in the above-captioned proceedings. ACS is seeking a waiver from the Commission that would allow it to accept Connect America Fund Phase I incremental subsidies to build broadband to areas that are marked as "served" on the National Broadband Map (the "Map") by fixed wireless Internet service providers.¹

The State of Alaska has designated Connected Nation, Inc., as the designated entity for the U.S. Department of Commerce, National Telecommunications and Information Administration State

¹ ACS ILEC's Petition for Waiver of Section 54.312(b)(2) and (3) of the Commission's Rules, WC Docket No. 10-90 and 05-337 (filed September 26, 2012). ("ACS Waiver Petition" or "ACS Petition for Waiver").

Broadband Initiatives (“SBI”) grant program. Pursuant to this grant program, since 2010, Connected Nation, Inc., through its nonprofit subsidiary Connect Alaska, has collected and independently validated information on the availability of residential broadband service in Alaska at various speed tiers. Connected Nation collects this information from providers, independently validates it, and submits it to the NTIA, which uses these data to support the National Broadband Map in Alaska. For the last two mapping cycles, Connected Nation has mapped data from 95.45% and 100% of the identified residential broadband providers in Alaska; and in both cases these maps included 100% of the fixed wireless providers in Alaska that meet the NTIA definition of broadband.²

AlasConnect stands by the Connect Alaska broadband map, concurs with Connected Nation’s comments regarding ACS’ waiver petition and submits the following comments as a supplement to Connected Nation’s submission filed on October 9, 2012. In addition to this, AlasConnect has voluntarily cooperated with Connected Nation by providing detailed and accurate wireless coverage maps of its service territories, proof of coverage and inventories, as well as semi-annual reports to the Connect Alaska project since 2010 in order to support Connected Nation’s intended purpose and designation.

AlasConnect is a respected and viable business, owned by Golden Valley Electric Association of Fairbanks, Alaska and created in 1999. AlasConnect began providing residential and small business wireless Internet offerings through its AC Wireless Internet Service starting in 2008. Significant investment has been made in the residential and small business wireless service through purchase of the WY – 700 MHz Lower Band (Blocks A, B & E) spectrum from the FCC and lease of the WZ – 700 MHz Lower Band (Blocks C, D) from Arctic Slope Telephone Association Cooperative, Inc., as well as a retail store, staff, seven remote sites with multiple Base Transceiver Stations (BTSs), along with much time, labor and capital. The coverage area and services provided to residential customers and small businesses within the boundaries referenced and recorded by Connected Nation are tangible, valuable and cannot be disproven by ACS or any other entity.

In its September 26, 2012 petition for waiver, ACS alleges that it accepted \$4,185,103.00 in CAF Phase I incremental support on July 24, 2012, but that information emerged after that date indicating that ACS could not utilize the full amount of support while adhering strictly to the Commission’s attendant broadband deployment obligations.³ ACS freely admits that it initially overlooked providers such as AlasConnect and the coverage areas being served when making its plans and regrets the error.⁴

² Comments of Connected Nation, Inc. on ACS’s Petition for Waiver, Docket 10-90. Filed October 9, 2012.

³ ACS Petition for Waiver, at i.

⁴ ACS Petition for Waiver, at 15.

Nonetheless, providers such as AlasConnect and the service territories already being served have been listed on the National Broadband Map for at least the past two years. ACS clearly should have been aware of this and has no justification for failing to perform proper due diligence. ACS additionally concedes that at the time that it was required to submit its CAF Phase I incremental support election, it had not yet completed a full market analysis due to concerns – concerns which were suspiciously redacted from their filing.⁵ The reality of the situation is that ACS admits that it simply failed to perform proper due diligence research on its competition and the scope of established services already being offered within the areas in which ACS is now seeking a waiver. Despite a failure to perform proper due diligence, ACS nonetheless persists in seeking advantage over other established companies through the use of CAF Phase I incremental support.

In requesting a waiver, ACS attempts to justify its failure to have performed proper due diligence by inferring that special circumstances warrant a waiver. ACS contends that AlasConnect and other providers within the area provide little benefit to the community and that it is in the public's best interest for ACS to be granted a waiver of requirements for CAF funds. ACS' two arguments are without merit. First, ACS contends that "AlasConnect primarily serves business and government customers, offering little benefit to small businesses and residential consumers."⁶ That statement is inaccurate and lacks factual evidence. AlasConnect serves government customers, large enterprises and midsize businesses through its AC Data Centers and AC Networks services, while additionally providing great benefit to small businesses and residential customers through its AC Wireless service. Since 2008 AlasConnect's AC Wireless service has met the needs of numerous previously "unserved" and "underserved" customers, many of whom suffered a complete lack of service or lack of quality service from local competitors such as ACS and AceTekk in the Fairbanks and North Pole areas.

Second, ACS' contends that CAF Phase I incremental support is underperforming its potential because only approximately \$115 million of the \$300 million was accepted by the July 24, 2012 deadline, asserting that a majority of the 2012 CAF Phase I incremental support will never be put to use pursuing the public interest goals and therefore representing a failure and setback for the public interest benefits of affordable broadband Internet access services.⁷ Contrary to ACS' contention, a waiver of Section 54.312(b)(2) does not serve the public interest, but rather serves primarily to enrich ACS, while limiting

⁵ ACS Petition for Waiver, Attachment A, at 2.

⁶ ACS Petition for Waiver, at 12.

⁷ ACS Petition for Waiver, at 23-24.

further private investment for broadband Internet services offered by other reputable and established companies, such as AlasConnect, AceTekk and GCI, which were not able to access CAF funds due to the rules and restrictions of the program.

AlasConnect respectfully requests that the Commission deny ACS' petition for waiver for the following three reasons: (1) AlasConnect already provides qualifying residential broadband service in the areas depicted in the National Broadband Map, thus making ACS ineligible for CAF Phase I incremental support; (2) were the Commission to grant ACS a waiver in this instance, the Commission would be setting a precedent that Internet Service Providers could seek and be awarded CAF funds within any ineligible and "served" areas reflected/listed on the Connected Nation broadband maps and would call into question the validity and use of the National Broadband Map as well as its intended purpose in supporting the funding of broadband in "unserved" and "underserved" areas; and, (3) providing ACS a waiver would be unfair to other Internet Service Providers unless those other providers are given the opportunity to apply for CAF funds, regardless of whether or not such funds would be sought for ineligible or eligible areas. Simply stated, ACS' lack of proper planning and due diligence should not justify ACS receiving a waiver from having to comply with the CAF Phase I incremental support requirements.

Respectfully submitted,

[submitted electronically]

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